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Meeting of States Parties
Twelfth Meeting
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Budgetary matters of the International Tribunal for the Law of the Sea

Savings from previous budgets

Working paper prepared by the Tribunal

1. With regard to the budgets of the Tribunal for 1998, 1999 and 2000, there exists a surplus of income over expenditure of US$ 838,828.93 for 1998, $270,415.07 for 1999 and $1,523,975.37 for 2000.

2. As at 31 December 2001, the outstanding contributions to the relevant budgets amounted to $41,329 (1998), $187,551 (1999) and $365,307 (2000).

3. In that connection, the audited financial statements of the Tribunal for 1999,[1] and 2000,[2] submitted to the Meeting of States Parties, stated that the surrender of the net surplus of income over expenditure would be delayed until 2001. This was to ensure adequate liquidity of the Tribunal's financial resources[3] and in anticipation of the adoption of the Financial Regulations of the Tribunal by then.

4. At its twelfth session, in September 2001, the Tribunal decided to submit the matter to the Meeting of States Parties. In the meantime, the relevant amount has been placed in a separately identified account.

5. On the question of savings, the United Nations Financial Regulations, which are applicable to the Tribunal mutatis mutandis, provide as follows:

> **Regulation 4.3**: Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriation shall be surrendered.
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> **Regulation 4.4**: At the end of the twelve-month period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. ...

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6. Pursuant to these provisions, the balance of appropriations for a financial period is used to finance the future budget. The amount of savings is deducted from the next year's appropriation and the net amount to be financed is then apportioned among Member States according to the scale of assessments of contributions to the budget.

7. Pending the adoption of the Financial Regulations of the Tribunal by the Meeting of States Parties, and unless the Meeting of States Parties decides otherwise, the Tribunal intends to surrender the savings indicated above in compliance with the United Nations Financial Regulations. A deduction of the amount of such savings would then be made from the assessed contributions of States Parties for 2003.

Notes

[1] See SPLOS/53.

[2] See SPLOS/75.

[3] In the past, a similar approach was accepted by the United Nations General Assembly in dealing with financial problems (e.g. in resolution 40/241 A of 18 December 1985, suspending the application of regulations 4.3, 4.4 and 5.2 (d) of the Financial Regulations of the United Nations or resolution 33/13 E of 14 December 1978, suspending the application of financial regulations 5.2 (b), 5.2 (d), 4.3 and 4.4 with regard to UNEF/UNDOF accounts).